The Northern Virginia Long-Term Care Ombudsman Program presents this
"Long-Term Care News & Tips Online"
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Inside this issue you will find:

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1. Older Americans Act programs. The Labor-HHS-Education conference agreement includes a total of $1.376 billion for Administration on Aging (AoA) programs. It level funds several Older Americans Act programs, including Title III's supportive services and centers ($354,136,000) and preventive health ($21,616,000); Title VI grants ($26,398,000); Title VII's aging network support ($13,266,000) and Alzheimer's Initiative ($11,786,000); and Title V senior employment ($436,678,000).

The Title IV (Aging Research and Training) program innovations suffered an $18 million decrease to $24,843,000, a cut of 42 percent compared to FY '05. AoA program administration ($17,879,000) was trimmed by $422,000, or 2.3 percent.

Several programs won slight increases: all three nutrition programs ($3.6 million in total increases); the caregivers support program ($2 million increase); and Title VII **ombudsman**/elder abuse ($1.072 million).

To view the conference report funding levels for Older Americans Act programs, visit the current chart at: www.n4a.org/pdf/fy06appropriationlevels.pdf. Note that the chart does not reflect the 1 percent across-the-board cuts.

Source: National Association of Area Agencies on Aging (N4A) Legislative Update email, December 22, 2005

2. Medicare Part D – General Information. Beginning January 2006, Medicare began offering coverage for prescription drugs to its beneficiaries. The new Medicare drug benefit will be voluntary but if individuals sign up late, there may be a financial penalty. Therefore, assisting beneficiaries with understanding this new benefit and helping them to sign up will be important.

Medicare beneficiaries will be offered at least two prescription drug plans from which to choose. To obtain this benefit, beneficiaries must sign up for a plan.

Prescription drug plans will vary, but in general, this is how they are supposed to work:

- Beneficiary will choose a prescription drug plan (PDP) and pay a monthly premium that in most cases will average about $34.
- Medicare beneficiaries will be responsible for the first $250 spent on prescription drugs during a year. This is referred to as their "deductible."
- After the beneficiary pays the first $250, Medicare will pay for 75% of all covered drug costs and the beneficiary will pay 25% of the drug costs until $2,250 in drug spending has been reached. In

other words, after the deductible is met Medicare will pay $1,500 and you pay $500 of the next $2,000.
- The beneficiary will be responsible for 100% of costs for drug spending between $2,250 and $5,100. This is known as the "donut hole."
- If the beneficiary reaches total drug spending over $5,100 during the calendar year, Medicare will cover 95% of all drug costs above this amount.
- If the beneficiary is currently enrolled in Medicaid, they will receive their prescription drug benefits through Medicare.

Medicare beneficiaries that have additional questions can visit www.medicare.gov or call: **1-800-MEDICARE** (**1-800-633-4227**). TTY users should call **1-877-486-2048**.

Low-Income Subsidy:
Medicare will provide extra assistance to Medicare beneficiaries with lower incomes and limited assets through a low-income subsidy (LIS). This subsidy will reduce beneficiary costs related to the new program. The amount of this subsidy will vary due to the individual's financial situation. For Medicare beneficiaries with the greatest needs, the LIS will cover the annual premiums and deductible. Beneficiaries with LIS will not be subject to the gap in coverage known as the "donut hole." Those who qualify for the LIS may still be required to pay a small co-payment for each prescription.
Most Medicare beneficiaries with low incomes should apply for the LIS. Individuals who are currently enrolled in both Medicare AND Medicaid will be automatically enrolled in the LIS so they do not have to apply to get it.

Those persons receiving applications for the LIS from the **Social Security Administration** (SSA) should apply for this benefit through the SSA.

Medicare Drug Benefit and Medicaid:
For individuals who receive full Medicaid benefits and also qualify for Medicare, the state will no longer be the primary provider for prescription assistance. As of January 1, 2006, individuals that are considered "dually eligible" will receive assistance with prescription drugs through Medicare. Dual eligible individuals may be automatically enrolled into a prescription drug plan but will be provided the option to choose a different plan after being automatically enrolled in a random plan by the government.

Additional questions about the LIS should be directed to the SSA at **1-800-772-1213**. TTY users should use **1-800-325-0778**. Applying for the LIS is separate from applying for a prescription drug plan. Low-income Medicare beneficiaries will need to be advised to apply for both.

Source: Howard Houghton, Virginia Insurance Counseling and Assistance Program (VICAP) Director, Fairfax Area Agency on Aging.

3. Center for Medicare & Medicaid Services (CMS) Q&A Sheds New Light on Nursing Home Pharmacy Prices. For years, NCCNHR has fielded questions from consumers and consumer advocates asking why nursing home residents have to pay so much more for prescription drugs provided by the long-term care pharmacy than they would pay at their neighborhood drugstore. One obvious answer is that these pharmacies usually have a monopoly on the facility's business, particularly if the nursing home and pharmacy have the same corporate owners. Another is that CMS has supported these monopolies and the higher charges on the grounds that the LTC pharmacies provide individualized packaging, on-call delivery, and other conveniences. It has allowed nursing homes to require their residents to get all their prescriptions from the LTC pharmacy the facility contracts with.

Recently, however, CMS officials working on implementation of the new Medicare Part D benefit saw LTC pharmacy pricing in a new light. It turns out that the pharmacies get "access/performance rebates" from pharmaceutical manufacturers for including their products in their formularies – in effect, steering residents towards their versions of certain drugs. CMS claims that LTC pharmacies get 40 percent of their profits through these rebates and that they do not pass on their savings either to residents or the Medicaid program. CMS says this is a conflict with Part D, which expects the new Prescription Drug Plans to negotiate price concessions with manufacturers and provide beneficiaries access to the lower prices. Since Medicare will pay 100 percent of the drug costs for Medicaid beneficiaries in nursing homes beginning January 1, CMS says rebates for these residents "should accrue to the government."

CMS hasn't decided what it is going to do about its discovery, so it remains to be seen whether private pay nursing home residents will ultimately benefit. The revelation that LTC pharmacies are getting paid handsomely without charging residents more for their prescriptions should provide a new handle for consumer advocates to fight higher drug costs that will eat into any savings private pay residents get from Part D.

Source: Quality Care Advocate December 17, 2005

4. Government Accountability Office (GAO), Senator, find CMS transition plan for dual eligibles inadequate. After reviewing a briefing on the preliminary findings of a forthcoming report by the Government Accountability Office (GAO), Senator Max Baucus said that CMS' plans to move dual-eligibles' drug coverage from Medicaid to Medicare are lacking, and rely too much on the voluntary efforts of States, drug plan sponsors and pharmacists. Baucus had requested that the GAO conduct this study. According to the GAO, if CMS fails to enroll dual-eligibles in Part D plans, pharmacists will have to contact the plans to get these individuals covered. If CMS makes a mistake and doesn't enroll a dual-eligible into a plan by January 1, they will rely on pharmacists to access special enrollment databases. But these databases may not be available at every pharmacy. CMS also suggests States should prepare for this transition by giving individuals an extended supply of drugs at the end of the year to cover gaps, but CMS will not adjust States "clawback" payments to account for the extra spending. As a result, few states are planning to offer extended supplies. Baucus stated, "We need assurances that CMS has a plan in place to guarantee that no one falls through the cracks. And according to GAO, we don't have those assurances yet." To access a copy of the report go to www.gao.gov/new.items/d06139r.pdf

Source: Press statement from the Office of Senator Max Baucus, November 16, 2005

5. Assisted Living Consumer Alliance (ALCA) launched. Consumer advocates concerned about promoting and preserving choice, safety, and legal rights for assisted living consumers have formed a national collaborative. The Assisted Living Consumer Alliance (ALCA) was formally introduced at the NCCNHR Annual Meeting in October. ALCA's mission is to advocate for assisted living that truly meets consumers' needs as individuals and to build a national public policy forum that facilitates this goal. ALCA members have created a list of priorities for the group and developed ten principles for assisted living reform. First among these principles is a call for new laws, policies, and practices to protect assisted living residents. The group has recently created a listserve where ALCA groups and individuals can dialogue. Plans are underway for the creation of an ALCA website. NCCNHR is a member of ALCA and supports its efforts. If you are interested in becoming a part of this group, please contact Eric Carlson, Staff Attorney, National Senior Citizens' Law Center at: ecarlson@nsclc.org.

Source: QCA NCCNHR Update, December 27, 2005

6. Dementia care training available for direct-care workers. Web-based dementia care training modules for direct-care workers in residential settings and their supervisors are now available online from the Alzheimer's Association to supplement Foundations of Dementia Care, a comprehensive training program for staff of nursing homes and assisted living residences. Based on the latest evidence in dementia care research and the experience of direct-care experts, the training is part of the Association's Campaign for Quality Residential Care, which is based on the Alzheimer's Association Dementia Care Practice Recommendations for Assisted Living Residences and Nursing Homes. To find a training program near you, call 1-866-727-1890. To access the online training materials, go to www.alz.org/health/qcc/overview.asp.

Source: Quality Jobs/Quality Care, November 17, 2005

7. Documentary on culture change to air in February. "Almost Home," a PBS documentary chronicling a year in the life of a retirement community implementing "culture change," will be aired on WETA in the Washington area on Saturday, February 4, 2006 at 11:30 p.m. The National Citizens' Coalition for Nursing Home Reform (NCCNHR) is a national partner organization for this project. The documentary and events surrounding this broadcast will bring much needed national attention to "culture change." For additional information on the program contact The Almost Home Web site, www.almosthomedoc.org or NCCNHR at 202-332-2275.

Source: National Citizens' Coalition for Nursing Home Reform e-mail 11/31/05

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Please note that the items are included for informational purposes only and do not imply endorsement by the Northern Virginia Long-Term Care Ombudsman Program or any governmental agency.

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